



State of Utah

DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

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April 11, 2000

TO: Minerals File

FROM: Anthony A. Gallegos, Senior Reclamation Specialist *ada*

RE: Site Inspection, American Mining And Minerals, Inc. (AMMI), Dolores River Placer Operations, S/019/035 (UTU-72488), Grand County, Utah

Date of Inspection: March 28, 2000
Time of Inspection: 1034 - 1400
Conditions: Rainy, Overcast
Participants: Dale Snyder, Frank Snyder, AMMI; Sal Venticinqu, BLM; Tony Gallegos, Doug Jensen, DOGM

Purpose of Inspection: To examine the project site as directed by the November 5, 1999 informal hearing with the Division Director.

We met Mr. Snyder about 1007 at the Dewey Bridge and then drove into the site. We had a short discussion inside the building at the site to determine what we wanted to try and accomplish today. During this discussion we also talked about the general permitting requirements. Some of the items discussed were:

1) Mr. Snyder would need to amend his current plan to describe the actual operations, no matter what the disturbed acreage was at the site. AMMI has a Plan Of Operations filed with the BLM and a Small Mine Operation notice filed with the Division. This amended plan would need to be submitted to the Division and the BLM and receive approval from both agencies.

2) Determining the actual amount of surface disturbance for the site that Mr. Snyder would be considered responsible for reclaiming. For example, we discussed areas around the building, which had not necessarily been mined, but these areas had been impacted through equipment storage or equipment traffic. This type of area would be considered affected by mining operations under the Division rules, so that acreage would need to be included in his permit.

3) We discussed areas that had recently been disturbed. Examples of these areas included the top of the knoll and the pipeline corridor to the river. It was clear these areas would also need to be included in the amended plan.

The current AMMI operations are located within a larger area of mining disturbances created by previous operations. A plan of operation from AMMI was approved by the BLM some time ago and that plan was later assumed by Mr. Snyder under AMMI. Some of the older disturbances have been reimpacted by recent mining activity by AMMI. We discussed the possibility of Mr. Snyder reclaiming as much of the affected areas as possible to minimize his disturbance and remain under the five acre limit for a small mine operation. Reclamation of most of these areas would include regrading the mounds of material and seeding the areas. Mr. Snyder pointed out that some of the areas had been regraded by AMMI, but they did not seed them.

We informed Mr. Snyder that the Division's policy for reclamation release requires up to three years of revegetation success, or three growing seasons before a reclaimed area could be fully released. Until the reclaimed area was fully released, that acreage would still be considered affected and be included in the total disturbed area.

Mr. Snyder mentioned he is interested in reclaiming a lot of these areas disturbed by mining. He would be interested in reclaiming both the areas which have and have not been impacted by his operations. He would be interested in doing this reclamation provided he wasn't penalized for doing this work. He would be willing to reclaim disturbances he felt were outside of his permit area provided the reclamation of these areas did not increase his affected area and then require him to increase reclamation bonding. Mr. Snyder mentioned that his main interest in this site is to reclaim a lot of the remaining areas around the current processing area and have these areas released. Then he would like to initiate operations at a different site, but still use the building and processing equipment here at this site. He considers this mining at a different site to be a long term plan.

We informed Mr. Snyder that because the amount of disturbance measured by the Division was over six acres, even if he were to reclaim two acres and have that released after three growing seasons, he would still have an additional acre of the road disturbance which would put him up to seven acres now. He did not believe he could reclaim three acres at that site and still continue operations. Mr. Snyder would be interested in a GPS survey of that portion of the site he indicated he could reclaim to see how much acreage would be involved..

We discussed the issue of a bond currently posted with the BLM. Given that this bond is already posted, there is not much difference between having a Plan of Operations with the BLM and completing a Large Mine Notice with the Division. A Large Mine Notice may require some information in addition to the current Plan of Operations.

After this discussion we walked to the top of the recently mined knoll for an overview of the site. From this vantage point we discussed the vegetation of various areas. Natural invasion of plants was evident in some areas which had not been disturbed for quite some time. Up on top of the knoll a GPS point was taken at a claim corner. Mr. Snyder mentioned they did not see any reason to go beyond this claim border and this point could be used to mark a new disturbed area boundary that he could work within. He suggested a boundary line from this claim point to the building and then from the back of the building to the claim corner on the opposite end. Several photographs of the site were taken from the knoll

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to document the current site conditions. Differences in the vegetation maturity are visible in these photographs and may be useful in identifying areas recently impacted and areas which have not been impacted for five to ten years. It should be noted that the Plan of Operations for this site was first submitted in 1994.

From up on the knoll Mr. Snyder pointed out some of the old mining areas he would regrade and seed if he could do that without these areas being counted against him as disturbed acreage. Evident on some old piles are rabbitbrush or sagebrush which are five to ten years old. We were unable to determine the old location of the pipeline to the river. We could see several candidate pipeline locations which had different vegetation and seemed to be the most logical site from looking at the aerial photo site map.

We next walked from the knoll toward the river to look for the old pipeline location. We walked around a majority of the old mined out areas between the processing equipment and the Dolores River. In this case, the term "old" meant those areas with significantly older vegetation growing on them.

We then had a brief follow-up discussion with Mr. Snyder describing what would happen after this site inspection. The Division would write up an inspection memo. A copy of that memo would go to the Snyders, the BLM and the Division files. That memo would document what was discussed today, what was examined, and the areas measured using a GPS system. The GPS data would be used to produce a new map. The Division would follow the memo with a letter informing Mr. Snyder of his options for the next permitting steps. These options would be based on the findings of the GPS survey and the acreages; however, he would have to amend his plan no matter what those findings were. Mr. Snyder was interested in the option reclaiming disturbances at his site to maintain his small mine status with the Division. We informed him that this type of reclamation exchange was a decision that upper management would have to make. In addition, this type of exchange would also require approval by the BLM.

Dale and Frank Snyder left the site after this follow up discussion. We used the GPS to measure the area Mr. Snyder thought he could reclaim. We then made a GPS measurement of the pipeline corridor to get a more accurate acreage. The GPS was also used to measure the length of the road from the culvert crossing near the building out to the gate. As we left the site we locked the gate behind us.

jb
cc: Dale Snyder, Ammi
Sal Venticinque, BLM
ammi-ins

DOGM FILE COPY

3/019/035 AMMI

3/28/00 SITE INSPECTION



DIVERSION BERM & TRACKS



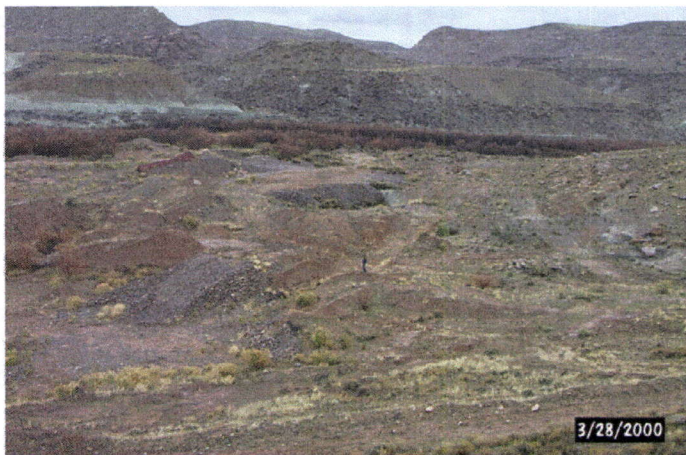
OLDER DISTURBANCES



S/019/035 AMMI



OLDER DISTURBANCES



DOUG AT PROPOSED NEW PERMIT BORDER - TO RUN ACROSS POND



↓ - POSSIBLE OLD CORRIDOR TO RIVER FOR PUMP?

S/019/035 AMMI



LOOKING FROM WITHIN OLDER DISTURBANCES TOWARD MINING & BUILDING AREAS
(NOTE OLD PILES & VEGETATION MATURITY)



3/019/035 AMMT



9/019/035 AMHI



CLAIM POST ON KNOLL

5/019/035 AMMI

CLAIM POST ON KNOLL



CLAIM POST NEAR ENTRANCE ROAD



CLAIM POST NEAR ENTRANCE ROAD

CLAIM POST ON KNOLL